



General Assembly

**Amendment**

February Session, 2008

LCO No. 5384

**\*HB0568905384HDO\***

Offered by:

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To: Subst. House Bill No. 5689

File No. 311

Cal. No. 177

**"AN ACT ALLOWING THE SALE OF GROUP SPECIFIED DISEASE POLICIES."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Subsection (a) of section 38a-551 of the general statutes is  
4 repealed and the following is substituted in lieu thereof (*Effective from*  
5 *passage*):

6 (a) "Health insurance" means hospital and medical expenses  
7 incurred policies written on a direct basis, nonprofit service plan  
8 contracts, health care center contracts and self-insured or self-funded  
9 employee health benefit plans. For purposes of sections 38a-505, 38a-  
10 546 and 38a-551 to 38a-559, inclusive, "health insurance" does not  
11 include (1) accident only, credit, dental, vision, Medicare supplement,  
12 long-term care or disability insurance, hospital indemnity coverage,  
13 coverage issued as a supplement to liability insurance, insurance  
14 arising out of a workers' compensation or similar law, automobile

15 medical-payments insurance, or insurance under which beneficiaries  
16 are payable without regard to fault and which is statutorily required to  
17 be contained in any liability insurance policy or equivalent self-  
18 insurance, or (2) policies of [specified disease or] limited benefit health  
19 insurance, provided: (A) The carrier offering such policies files on or  
20 before March first of each year a certification with the commissioner  
21 that contains the following: (i) A statement from the carrier certifying  
22 that such policies are being offered and marketed as supplemental  
23 health insurance and not as a substitute for hospital or medical  
24 expense insurance; and (ii) a summary description of each such policy  
25 including the average annual premium rates, or range of premium  
26 rates in cases where premiums vary by age, gender or other factors,  
27 charged for such policy in the state; and (B) for each such policy that is  
28 offered for the first time in this state on or after July 1, 2005, the carrier  
29 files with the commissioner the information and statement required in  
30 subparagraph (A) of this subdivision at least thirty days prior to the  
31 date such policy is issued or delivered in this state.

32 Sec. 2. Subsection (c) of section 38a-505 of the general statutes is  
33 repealed and the following is substituted in lieu thereof (*Effective from*  
34 *passage*):

35 (c) The commissioner shall adopt regulations, in accordance with  
36 chapter 54, to establish minimum standards for benefits under each of  
37 the following categories of coverage in individual policies, other than  
38 conversion policies issued pursuant to a contractual conversion  
39 privilege under a group policy: Basic hospital expense coverage, basic  
40 medical-surgical expense coverage, hospital confinement indemnity  
41 coverage, major medical expense coverage, disability income  
42 protection coverage, accident only coverage, [and] specified accident  
43 coverage and specified disease coverage. [Specified disease policies,  
44 riders and benefits shall be prohibited whether issued on a group or  
45 individual basis, except as provided in section 38a-457, or as  
46 determined by the commissioner provided the commissioner, prior to  
47 permitting any sale of such policies, adopts regulations in accordance  
48 with chapter 54 to establish minimum standards for benefits in such

49 specified disease policies, certificates, riders, endorsements and  
50 benefits.]

51 Sec. 3. Subdivision (7) of section 38a-564 of the 2008 supplement to  
52 the general statutes is repealed and the following is substituted in lieu  
53 thereof (*Effective from passage*):

54 (7) "Health insurance plan" means any hospital and medical expense  
55 incurred policy, hospital or medical service plan contract and health  
56 care center subscriber contract and does not include (A) accident only,  
57 credit, dental, vision, Medicare supplement, long-term care or  
58 disability insurance, hospital indemnity coverage, coverage issued as a  
59 supplement to liability insurance, insurance arising out of a workers'  
60 compensation or similar law, automobile medical-payments insurance,  
61 or insurance under which beneficiaries are payable without regard to  
62 fault and which is statutorily required to be contained in any liability  
63 insurance policy or equivalent self-insurance, or (B) policies of  
64 [specified disease or] limited benefit health insurance, provided that  
65 the carrier offering such policies files on or before March first of each  
66 year a certification with the commissioner that contains the following:  
67 (i) A statement from the carrier certifying that such policies are being  
68 offered and marketed as supplemental health insurance and not as a  
69 substitute for hospital or medical expense insurance; (ii) a summary  
70 description of each such policy including the average annual premium  
71 rates, or range of premium rates in cases where premiums vary by age,  
72 gender or other factors, charged for such policies in the state; and (iii)  
73 in the case of a policy that is described in this subparagraph and that is  
74 offered for the first time in this state on or after October 1, 1993, the  
75 carrier files with the commissioner the information and statement  
76 required in this subparagraph at least thirty days prior to the date such  
77 policy is issued or delivered in this state.

78 Sec. 4. Subdivision (1) of subsection (a) of section 38a-476 of the 2008  
79 supplement to the general statutes is repealed and the following is  
80 substituted in lieu thereof (*Effective from passage*):

81 (a) (1) For the purposes of this section, "health insurance plan"  
82 means any hospital and medical expense incurred policy, hospital or  
83 medical service plan contract and health care center subscriber contract  
84 and does not include (A) short-term health insurance issued on a  
85 nonrenewable basis with a duration of six months or less, accident  
86 only, credit, dental, vision, Medicare supplement, long-term care or  
87 disability insurance, hospital indemnity coverage, coverage issued as a  
88 supplement to liability insurance, insurance arising out of a workers'  
89 compensation or similar law, automobile medical payments insurance,  
90 or insurance under which beneficiaries are payable without regard to  
91 fault and which is statutorily required to be contained in any liability  
92 insurance policy or equivalent self-insurance, or (B) policies of  
93 [specified disease or] limited benefit health insurance, provided that  
94 the carrier offering such policies files on or before March first of each  
95 year a certification with the Insurance Commissioner that contains the  
96 following: (i) A statement from the carrier certifying that such policies  
97 are being offered and marketed as supplemental health insurance and  
98 not as a substitute for hospital or medical expense insurance; (ii) a  
99 summary description of each such policy including the average annual  
100 premium rates, or range of premium rates in cases where premiums  
101 vary by age, gender or other factors, charged for such policies in the  
102 state; and (iii) in the case of a policy that is described in this  
103 subparagraph and that is offered for the first time in this state on or  
104 after October 1, 1993, the carrier files with the commissioner the  
105 information and statement required in this subparagraph at least thirty  
106 days prior to the date such policy is issued or delivered in this state.

107 Sec. 5. Section 38a-513 of the general statutes is amended by adding  
108 subsection (d) as follows (*Effective from passage*):

109 (NEW) (d) Not later than January 1, 2009, the commissioner shall  
110 adopt regulations, in accordance with chapter 54, to establish  
111 minimum standards for benefits in group specified disease policies,  
112 certificates, riders, endorsements and benefits.

113 Sec. 6. Subsection (c) of section 38a-554 of the 2008 supplement to

114 the general statutes is repealed and the following is substituted in lieu  
 115 thereof (*Effective from passage*):

116 (c) The commissioner shall adopt regulations, in accordance with  
 117 chapter 54, concerning coordination of benefits between the plan and  
 118 other health insurance plans. No individual or group health insurance  
 119 plan shall coordinate benefits or otherwise reduce benefit payments  
 120 because a person is covered by or receives benefits from a group  
 121 specified disease policy delivered, issued for delivery, renewed,  
 122 amended or continued in this state."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	38a-551(a)
Sec. 2	<i>from passage</i>	38a-505(c)
Sec. 3	<i>from passage</i>	38a-564(7)
Sec. 4	<i>from passage</i>	38a-476(a)(1)
Sec. 5	<i>from passage</i>	38a-513
Sec. 6	<i>from passage</i>	38a-554(c)